

Insurance Coverage Policy
Adopted By: The State Board of Education
For
Damages To State-Owned School Buses

In compliance with Part IB, Provisos, Section 1.41 of the 1998-99 State Appropriations Act, the State Board of Education adopts this policy to appropriately assign financial responsibilities for certain school bus damages to the Department of Education. When school bus damages are found not to be the financial responsibility of the Department, they shall be the responsibility of the operating school district.

The Department of Education shall self-insure each State-owned school bus for all damages normally covered by comprehensive and/or collision insurance. The terms, to include the deductible, of the vehicle comprehensive and collision insurance sold by the State Insurance Fund shall act as the standard for the comprehensive and collision coverage of this policy. These terms are attached for reference. Specifically, the deductible amount mirrors the vehicle comprehensive and collision policies currently issued by the State Insurance Fund and the School Boards Association's insurance programs.

The School Bus Damage Procedures, issued by the Department of Education in 1997 shall be used to determine responsibility for damages. Should it be determined that the responsibility is the school district's, the self-insurance coverage on each vehicle shall have a deductible of five hundred dollars (\$500) for each accident or incident per vehicle. In such a case the district shall be responsible for the first \$500 of damages repair. In cases where the damage occurs while the school bus is operating under permit and the damage is insured by the district, the Department shall reduce the deductible amount dollar for dollar for each dollar paid by the district's insurance carrier.

Financial responsibility for non-insurable damages shall conform to the 1997 School Bus Damage Procedures. The Department's declaration that a damage is non-insurable is grounds for the school district to appeal under the 1997 School Bus Damage Procedures.

The Department is directed to monitor damages to school buses to determine patterns of district and/or driver behavior. Should negligence patterns be identified, the Department is directed to take immediate action to appropriately communicate with and sanction the school district, and/or void the responsible driver's School Bus Drivers Certification.

To assist in the interpretation of non-insurable damages the following examples are provided.

Example of Non-Insurable Damages

Damages to school bus major mechanical components that occur as a result of negligence of a school district employee.

Comprehensive/Collision Insurance Terms

A. Department of Education Responsibility.

1. The Department will pay for loss to a state owned school bus and its equipment under:
 - a. Comprehensive Coverage. From any cause except the covered school bus' collision with another object or its overturn.
 - b. Collision Coverage. Caused by the covered school bus' collision with another object or its overturn.

B. We Will Not Cover – Exclusions.

This insurance does not apply to:

1. The deductible applied to each incident.
2. Wear and tear, freezing, mechanical or electrical breakdown unless caused by other loss covered by this policy.
3. Loss to equipment, supplies or personal items not owned by the State that are on or in the school bus.